



MILL 011/2017

15 May 2017

Subject: Management's Discussion and Analysis of quarter 1, 2017, Ending 31 March 2017

Attention: President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") would like to notify the Company's and its affiliates' performance of quarter 1, 2017, Ending 31 March 2017, which are verified by auditors approved by the office of SEC, and which are also approved by the Board of Directors of the Company. The details are as follow;

**Economics overview**

In quarter 1/2017, Thai economic climate driven by Government and Private sectors was slightly slow down due to accelerating their investments in the previous quarter. However, Thai economic trend forecasted to improve according to the increase of exports.

For steel consumption in Thailand in quarter 1/2017, the consumption of structural steel decreased by 5.3% comparing to the same period of 2016. The consumption of long steel product was of 1.36 million tons, shrinking by 22.5% YoY and also flat steel product consumption was of 2.75 million tons, increasing by 6.3% YoY.

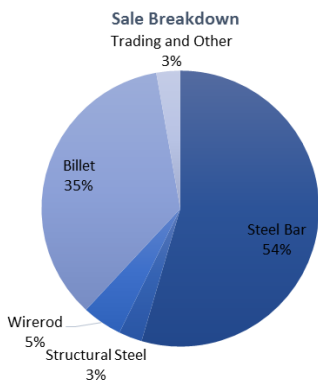
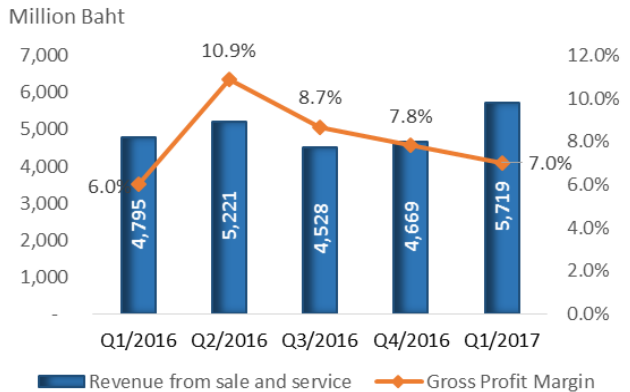
**Performance summary in of quarter 1, 2017, ending 31 March 2017**

Performance	Q1/2017	Q1/2016	(YoY)	
	Million Baht	Million Baht	+/- Million Baht	ร้อยละ
Total revenues	5,873	5,242	631	12%
Revenues from sale and services	5,719	4,795	924	19%
Cost of sales and services	5,317	4,505	812	18%
Gross profit	402	290	111	38%
Total expenses	287	241	45	19%
Financial cost	165	150	15	10%
Net Profit	117	337	-221	-65%
EBITDA from operating	329	203	126	62%
Net Profit from operating	102	-8	109	1,439%



Management's Discussion and Analysis

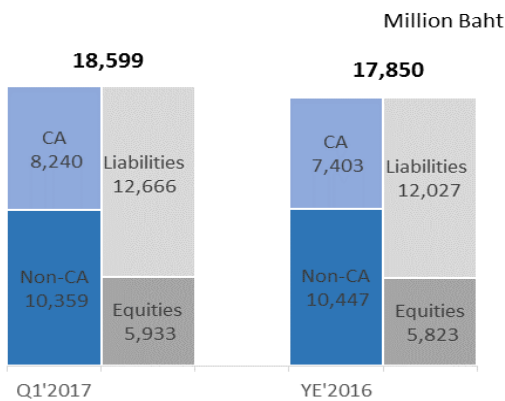
In quarter 1/2017, the company generated revenue from sales & services was of 5,719 million baht, increased by 19% compared with the same period of last year. As a result from the Company expanded the customer base into outside Bangkok areas as well as online channels combined with increasing volume exported to Asian countries and Australia. Furthermore, revenues increased from accelerating sales to customers due to the Company had associate company which has expertise in logistics and rising of steel price. Total sale volume in quarter 1/2017 was of 372,144 tons or slightly decreased by 4% YoY.



In quarter 1/2017, Gross profit increased 38% YoY% as a result from cost management and faster transport products to customers.

Total expenses was of 287 million baht, rose by 19% compared with the same period of 2016 because the transportation to aboard increased and the expense of produced special grade test. In this period, financial cost rose from working capital loan used for purchasing raw materials to produce steel products as per customers' orders for delivery in quarter 2/2017.

Net profit of quarter 1/2017 was 117 million bath, decreased by 65% YoY. Due to quarter 1/2016 the Company had profit from sale machines was of 395 million baht but quarter 1/2017, profit from operating increased 109 million baht, or by 1,439%.



As of quarter 1/2017, total asset was amount of 18,599 million bath, increased by 4% from previous year. As a result from account receivable and inventories increased with in line revenues from sale rose. Total liabilities and equities increased in quarter 1/2016 due to working capital loan used for purchasing raw materials to produce steel products as a result; D/E ratio increased from 2.06x to 2.13x.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

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Please be inform accordingly,

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director